

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



February 22, 1991

ALL COUNTY INFORMATION NOTICE No. I-18-91

SUBJECT: REPAYMENT OF AID TO FAMILIES WITH DEPENDENT CHILDREN  
(AFDC) OVERPAYMENTS AND FOOD STAMP OVERISSUANCES.

REFERENCES: ALL COUNTY LETTERS 90-03, (DATED 1/11/90), 89-99  
(DATED 11/15/89), AND 89-47 (DATED 5/30/89).

The purpose of this letter is to reinforce prior clarification of requirements of the order and stipulated judgement in the Louis v. McMahon court case. The court ordered the State Department of Social Services (SDSS) to instruct the counties that, pursuant to 42 U.S.C. Sections 407 (a) and 1383 (d) (1), Social Security and/or SSI (including SSP) funds are exempt from collection to repay overpaid/overissued public assistance benefits administered by the state, including AFDC and Food Stamps. The court also ordered SDSS to put the following informational statement on all overpayment notices and/or demand for repayment and collection letters:

"YOU DO NOT HAVE TO USE ANY SOCIAL SECURITY OR  
SSI BENEFITS YOU GET TO REPAY THIS OVERPAYMENT"

The Louis Order does not exempt or alleviate the client who receives Social Security and/or SSI/SSP funds from responsibility of repaying an overpayment or overissuance. Rather, the county is still required to initiate and take collection action. This includes grant adjusting an AFDC grant and reducing a Food Stamp allotment for active cases when appropriate. For inactive cases collection action is also required and should be pursued through other methods as appropriate. One such method the county may consider using is the Tax Intercept Program which has proven to be an effective collection method and is very cost effective.

In summary, it is the type of funds that are exempt from collection. Social Security and SSI funds cannot be used to repay an overpayment or overissuance without the express permission of the client. Please review these instructions with all appropriate eligibility and collections staff in your county. In those counties where collections are pursued by another department, please direct copies of this letter to that department.

If you have any questions, please contact Mr. Cary Lemos of the Overpayment Recovery Bureau at (916) 322-5387 or ATSS 492-5387.

  
ROBERT A. HURRELL  
Deputy Director

cc: CWDA